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E.O. 12356: DECL: OADR
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SUBJECT: LEBANESE FORCES FINANCES

1. S-ENTIRE TEXT.

2. LEBANESE FORCES OFFICIAL WHO REMAINS LOYAL TO DEPOSED CHIEF FUAD ABU NADER CONTENTS THAT PART OF REBEL LEADER JA'JA'S APPEAL TO RANK AND FILE IS HIS PROMISES THAT ECONOMY MOVES INTRODUCED BY ABU NADER WOULD END. HE OBSERVES, HOWEVER, THAT PROMISES WILL BE DIFFICULT FOR JA'JA' TO KEEP.

3. ACCORDING TO THIS OFFICIAL, LF OPERATING EXPENSES ALONE AMOUNT TO 26 MILLION POUNDS A MONTH, MOSTLY STRAIGHT SALARY PAYMENTS. THIS FIGURE PROVIDED NOTHING FOR AMMUNITION REPLACEMENT (BADLY NEEDED), SPARE PARTS FOR EQUIPMENT (BADLY NEEDED -- ACCORDING TO OFFICIAL LF TANKS COULDN'T MOVE INTO ACTION NOW WITHOUT SIGNIFICANT REPAIR), UNIFORMS, TRAINING, ETC.

4. OFFICIAL SAID INCOME SIDE WILL PRESENT JA'JA' WITH DIFFICULT PROBLEM, BEFORE UPRISING, OFFICIAL SAID, INCOME

5. OFFICIAL NOTED THAT LF HAD RE-OPENED NIGHT OPERATIONS AT FIFTH BASIN AT BEIRUT PORT TWELVE DAYS BEFORE UPRISING BECAUSE OF NEED FOR FUNDS, SO JA'JA' WILL CONTINUE TO BENEFIT FROM THIS SOURCE. ON OTHER HAND, HE SAID, WITH SYRIANS OPENING ROADBLOCK AT MADFOUN BRIDGE, LF REVENUES FROM BARBARA CHECKPOINT HAVE DISAPPEARED; HE OPINED THAT JA'JA' MIGHT GO AS FAR AS TO OFFER UP CLOSING OF BARBARAH CHECKPOINT AS PEACE OFFERING TO SYRIA NOW THAT SYRIAN ACTION HAS MADE IT FINANCIALLY IRRELEVANT. EVEN ASSUMING LF TIGHTENS UP TAXATION IN AREAS UNDER ITS CONTROL AND PERHAPS EXPAND FIFTH BASIN OPERATIONS, IT WILL STILL LEAVE THEM, HE ESTIMATED, MINIMUM OF 6 MILLION POUNDS SHORT EACH MONTH.

6. OFFICIAL OBSERVED THAT EFFECTIVENESS OF DEA OPERATIONS MADE EXPORTATION OF HASHISH AN UNPROFITABLE OPTION.

7. ANOTHER OPTION WOULD BE CONTRIBUTIONS BY KEY LF REBEL FINANCIAL ANGELS; HE MENTIONED SPECIFICALLY PIERRE ASHKAR AND MICHEL MURR BUT HE QUESTIONED HOW LONG THEY WOULD WANT TO PICK UP THE DIFFERENCE. REMAINING OPTION WOULD BE ONE LF WAS MOVING TOWARD BEFORE UPRISING: COMBINATION OF ECONOMY MOVES AND OF SELLING MILITARY RESOURCES ON CIVILIAN ECONOMY. MOVES IN THAT DIRECTION HAD BEGUN PRIOR TO MARCH 12 UPRISING, SPECIFICALLY IN COMPUTER AREA, WHERE OFFICIAL SAID LF HAS MOST SOPHISTICATED OPERATION IN COUNTRY; AND IN VEHICLE MAINTENANCE.

BARTHOLOMEW